

Indian agricultural community goes digital with
Safal Fasal Marketplace



Welcome to **Safal Fasal**

India is known worldwide for its high quality agricultural produce. The country's agricultural sector produces a wide variety of crops, most notably food staples such as rice and wheat. Indian farmers also grow pulses, potatoes, sugarcane, oilseeds and non-food items such as cotton, tea, coffee, rubber and jute (a glossy fibre used to make burlap and twine).

Despite the fact that agriculture accounts for almost a quarter of India's economic output and employs nearly 50 percent of the labour force, it is considered highly inefficient and challenging. Indian farmers are frustrated as they see as much as one-fifth of total agricultural output lost due to inefficiencies in harvesting, transport, and storage of government-subsidised crops.



Challenges

Farmers are the backbone of the Indian agricultural sector, yet they face a number of significant challenges on a daily basis.



Farmers with small land parcels

There are approximately 144 million farmers in India, of whom over 80% are known as 'smaller farmers' - meaning they harvest land of less than 2.5 hectares. These farmers cannot get exposure to buyers and are left with no choice but to sell their produce through intermediaries. They also face losses when their produce does not reach the market in time.



Pressure on price

An Indian farmer will receive around 8 rupees for a mango that will sell in the UK for the equivalent of 160 rupees. Yet these farmers are under constant pressure to further reduce their prices from the various intermediaries who bring their product to the consumer.



Low level of digital education

Beyond technology, Safal Fasal Marketplace required to educate its members towards to use of a marketplace and beyond, such as ensuring only high quality produce can be listed as per the marketplace guidelines.



Asymmetric information about quality of crops

Finding buyers can be difficult as institutional buyers do not have confidence in the sorting and grading work done by producers. This highlighted the importance to agri business relations of a system providing the same information to everyone in the supply chain.



Strong commitment to local merchants and suppliers

It takes a long time to gain and build trust before farmers will agree to transact with new partners. Indian farmers tend to trust local merchants to sell their goods and local suppliers to source their input products, which means they don't always get the seeds and nutrients they need at the right price.



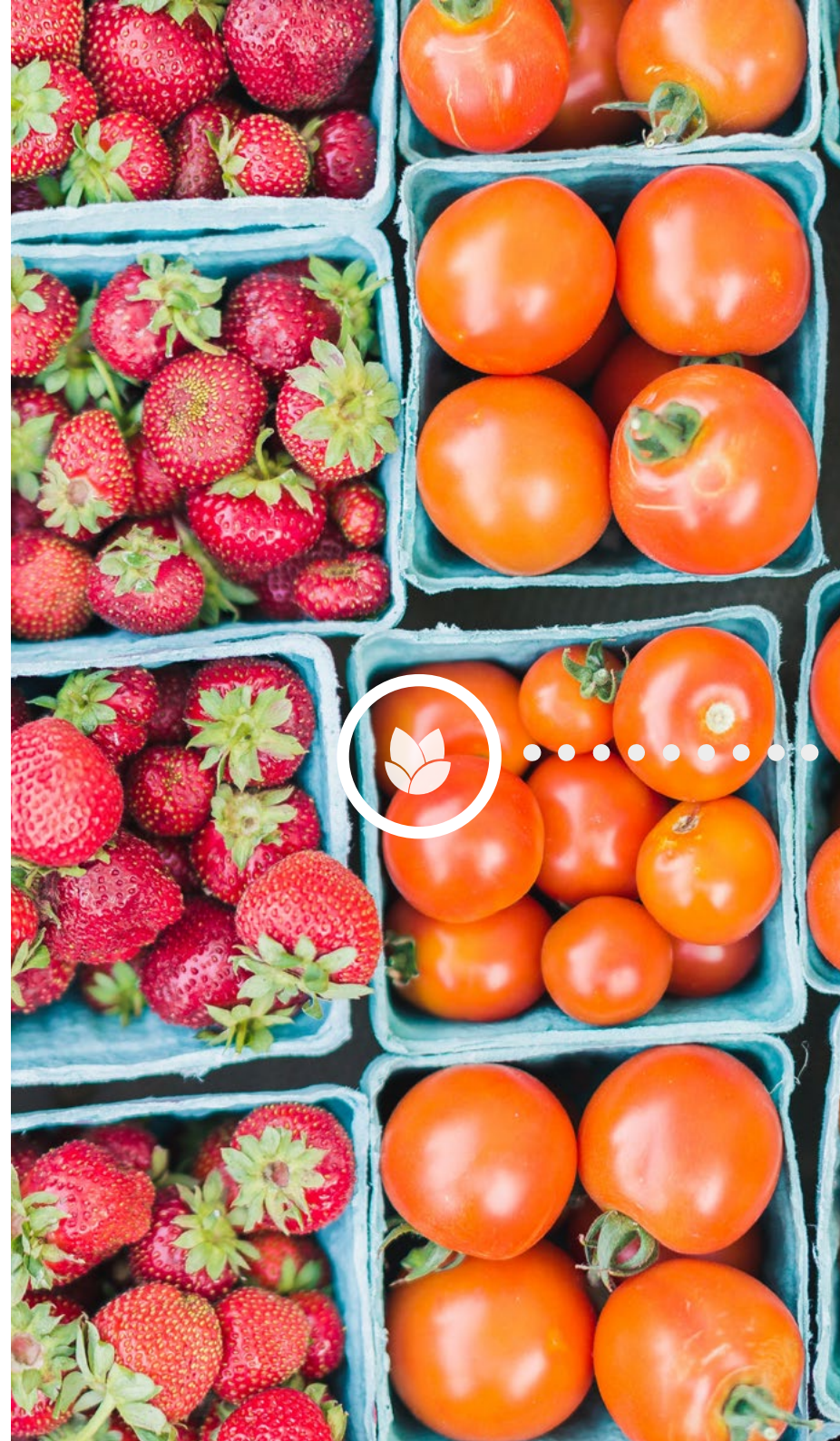
Broken distribution as a result of COVID-19 disruption

COVID-19 prevention measures have caused significant market distortion in many countries and India is no exception. Disruption to global logistics chains have left farmers with no options for selling their produce or receiving food security guidance. The pandemic has highlighted the need to put programmes in place to support the agricultural sector in India.

Solution

In response to the need to create a better model for the agricultural sector in India, BPC decided to create Safal Fasal Marketplace.

Safal Fasal (which means 'successful harvest' in Hindi) is an initiative to bring together all agriculture ecosystem players, bridging the gap between buyers and sellers as well as financial institutions, insurance companies, value-added service providers and knowledge partners.



BPC SME Marketplace tailored to the agri sector

BPC MarketPlace was used to power Safal Fasal. This marketplace provides a front end customer experience for buyers to source produce, choose quantities and make a purchase online. The SME platform is designed for a multi-institution, multi-currency, multi-channel and multi-country processing environment and supports the most advanced, innovative banking solutions. The marketplace enables buyers, farmers, FPOs and representatives to access available produce and stock information from their mobile devices.



Configure

Configure a digital ecosystem

Onboard

On-board relevant players into the ecosystem with required business relationships and manage these relationships

Enable

Enable seamless business transactions between all ecosystem players

A Phy-gital onboarding process

The Safal Fasal model is based on onboarding farmers and producers by combining a best-of-class online marketplace with on-field meetings to drive better education for farmers that need support transitioning to digital.

Smart logistics from seed to market

Frictionless logistics is critical to ensure crops can be delivered without putting food security at risk. The Safal Fasal team works with all ecosystem players to ensure a plan is in place to strategically deliver produce to its destination using multiple shipping methods and locations.

Phased implementation

Safal Fasal marketplace was under development for eight months prior to the pilot phase. Implementation was an ongoing process with improvements added to the service on a monthly basis. The pilot phase lasted three months with Safal Fasal marketplace launching in December 2019.

Results

Safal Fasal was supported by a wide range of industry players from agricultural service providers, buyers, government and financial institutions to farmers, often organised in local co-operatives.



Successful onboarding of farmers and ecosystem players

Almost 40,000 farmers joined the programme during the three month pilot phase and 1,000,000 are projected to be onboarded in the second year of operations. They benefit from mentoring with advisors such as PWC Agriculture unit, Tanager, Dr Reddy's Foundation and JSW Foundation. They also benefit from a wide range of marketplace partners to source input, insurance or financial solutions such as Bayers, Fino Payments Bank and ICICI Bank.

Financial inclusion and instant income

Safal Fasal solves the problem of delayed payments by bringing together financial institutions that can provide FPOs and retailers with credit and insurance solutions which are passed on to farmers, ensuring they get paid as soon as the produce is delivered.

Female empowerment

Safal Fasal aims at including the most excluded farmers - including female farmers. More than 1500 female farmers have joined the programme, stating that Safal Fasal was a vital support during the COVID-19 crisis.



User-friendly platform

Farmers or their representatives can manage their produce listing on a daily basis at the touch of a button and upload photos of produce from its place of origin, creating trust in the source of their produce.

Food security improvements

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Increased bargaining power for farmers

Safal Fasal has significantly increased farmers' bargaining power as it allows them to come together in cooperative-like groups. The most positive effect has been seen in Gujarat and Andhra Pradesh, where farmers are now able to sell their goods online at a better price and increase their exposure to retailers and wholesalers.

Farmers using Safal Fasal marketplace from launch have exceeded expected transaction volumes. The marketplace expects to support the sale of more than \$150 million of produce by 2023.



"Safal Fasal platform has facilitated vegetables transaction of over INR 3 lakhs for our MACs in last 2 months. This is really helping our farmers increase their income and the FPC has also earned around INR 25000 during this period. This earning will also be passed on for the benefits of the farmers. Apart from market linkages for agri-output, Safal Fasal is also advising the farmers and providing the farmers access to agri-inputs".

Chikoti Pushpa
Board of Directors member



"Women farmers have come together to form Bhulaxmi Mahila Rythula Paraspava Sahaya Sakava Parapathi Marketing Ltd., a Mutually Aided Cooperative Society based out of Siddipet, Telengana. I am the President of this MACs. Our objective is to work toward female farmers empowerment . Due to COVID-19, there is a supply chain disruption and there is a distress kind of situation where the farmers' produce are getting wasted. Safal Fasal platform has come to our rescue in this situation".

Bandari Shyamala
Bhulaxmi MACS President



"I am a farmer associated with Bhulaxmi Mahila Rythula Paraspava Sahaya Sakava Parapathi Marketing Ltd., a Mutually Aided Cooperative Society based out of Siddipet, Telengana. Safal Fasal platform is helping us connect with buyers. I want to thank the entire Safal Fasal team for supporting us in these hard times and my best wishes are with them".

Chikoti Eshwaramma
Farmer

Key Facts

FPOs Onboard

200

Agents Onboard

69

Districts

100

Farmers onboard

475,000

Financial Institutions

2

VLEs / Lead Farmers

2,800

Sales (2021)

\$80 mln
(usd\$)

Partners



